

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



E-01461A
Trico Electric Cooperative, Inc.
P. O. Box 930
Marana AZ 85653

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2002 |
|-----------|-----------|-------------|

*Trico
04-11-03
2002 assessment
db updated
01-11-03*

FOR COMMISSION USE

| | |
|---------------|-----------|
| ANN 01 | 02 |
|---------------|-----------|

ANN 01 02

COMPANY INFORMATION

Company Name (Business Name) TRICO ELECTRIC COOPERATIVE INC

Mailing Address 8600 W TANGERINE RD, PO BOX 930

(Street)

MARANA

(City)

AZ

(State)

85653-0930

(Zip)

520744-2944

Telephone No. (Include Area Code)

520-744-2329

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address mathey@trico.org or swallis@trico.org

Local Office Mailing Address 8600 W TANGERINE RD, PO BOX 930

(Street)

MARANA

(City)

AZ

(State)

85653-0930

(Zip)

520-744-2944

Local Office Telephone No. (Include Area Code)

520-744-2329

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address mathey@trico.org or swallis@trico.org

MANAGEMENT INFORMATION

Management Contact: SILVIA M WALLIS MANAGER OF ACCOUNTING

(Name)

(Title)

8600 W TANGERINE RD PO BOX 930

(Street)

MARANA

(City)

AZ

(State)

85653-0930

(Zip)

520-744-2944

Telephone No. (Include Area Code)

520-683-4896

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address swallis@trico.org

On Site Manager: MARVIN L ATHEY

(Name)

8600 W TANGERINE RD PO BOX 930

(Street)

MARANA

(City)

AZ

(State)

85653-0930

(Zip)

520-744-2944

Telephone No. (Include Area Code)

520-744-2329

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address mathey@trico.org

Statutory Agent: WATERFALL, ECONOMIDIS, CALDWELL, HANSHAW & VILLAMANA

(Name)

5210 E WILLIAMS CIRCLE STE 800

(Street)

TUCSON

(City)

AZ

(State)

85711-4473

(Zip)

520-790-5828

Telephone No. (Include Area Code)

520-745-1279

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: RUSSELL JONES

(Name)

5210 E WILLIAMS CIRCLE STE 800

(Street)

TUCSON

(City)

AZ

(State)

85711-4473

(Zip)

520-790-5828

Telephone No. (Include Area Code)

520-745-1279

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☒ PINAL

☒ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☒ Utility Distribution Company
- ☒ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☒ Meter Service Provider
 - ☒ Meter Reading Service Provider
 - ☒ Billing and Collection
 - ☒ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

| | |
|---|----------|
| Total residential access lines | _____ |
| Total business access lines | _____ |
| Total revenue from Arizona operations | \$ _____ |
| Total income from Arizona operations | \$ _____ |
| Value of assets used to serve Arizona customers | \$ _____ |
| Accumulated depreciation associated with those assets | \$ _____ |

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

| | | |
|------------------------------------|-------------|-----|
| Total number of customers | 27,645 | |
| Residential | 26,335 | |
| Commercial | 1,200 | |
| Industrial | 48 | |
| Public street and highway lighting | 7 | |
| Irrigation | 41 | |
| Resale | 14 | |
| Total kilowatt-hours sold | 462,450,600 | kWh |
| Residential | 253,899,552 | |
| Commercial | 69,298,469 | |
| Industrial | 136,716,442 | |
| Public street and highway lighting | 105,749 | |
| Irrigation | 2,263,052 | |
| Resale | 167,336 | |
| Maximum Peak Load | 103,980 | MW |

GAS UTILITIES ONLY

| | | |
|---------------------------|--|--------|
| Total number of customers | | |
| Residential | | |
| Commercial | | |
| Industrial | | |
| Irrigation | | |
| Resale | | |
| Total therms sold | | therms |
| Residential | | |
| Commercial | | |
| Industrial | | |
| Irrigation | | |
| Resale | | |

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

**I, THE UNDERSIGNED
OF THE**

| |
|---|
| COUNTY OF (COUNTY NAME) PIMA |
| NAME (OWNER OR OFFICIAL) TITLE MARVIN L ATHEY , CEO/GENERAL MANAGER |
| COMPANY NAME TRICO ELECTRIC COOPERATIVE, INC |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2002 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

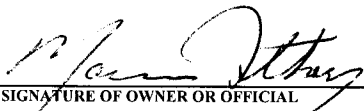
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 45,176,076

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,565,530
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
520-744-2944

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

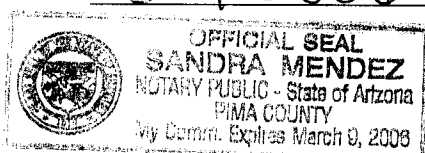
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

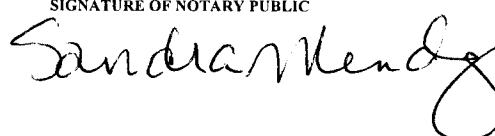
THIS 7th **DAY OF**

(SEAL)

| | | |
|-------------|--------------|-------------|
| COUNTY NAME | <u>Pima</u> | |
| MONTH | <u>April</u> | <u>2003</u> |

MY COMMISSION EXPIRES 3-9-2006



SIGNATURE OF NOTARY PUBLIC


UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION AZ0020

PERIOD ENDED 12/2002

BORROWER NAME AND ADDRESS
TRICO ELECTRIC COOP INC

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

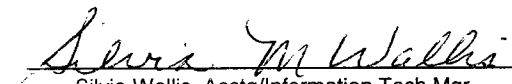
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.


Silvia Wallis, Acctg/Information Tech Mgr 03/26/2003
DATE


Marv Athey, CEO/General Manager 03/26/2003
DATE

| | | | | |
|--|-----------------------------|--|--|--|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION | | | |
| | AZ0020 | | | |
| | PERIOD ENDED | | | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | 12/2002 | | | |

Part A. Statement of Operations

| ITEM | Year-to-date Last Year (a) | Year-to-date This Year (b) | Year-to-date Budget (c) | This Month (d) |
|--|----------------------------------|----------------------------------|-------------------------------|-------------------|
| 1. Operating Revenue and Patronage Capital | 40,455,545 | 42,610,546 | 46,120,096 | 3,192,039 |
| 2. Power Production Expense | 0 | 0 | 0 | 0 |
| 3. Cost of Purchased Power | 24,225,662 | 25,773,444 | 27,560,456 | 1,981,706 |
| 4. Transmission Expense | 24,935 | 15,026 | 16,260 | 124 |
| 5. Distribution Expense - Operation | 3,413,990 | 3,371,950 | 3,805,036 | 259,396 |
| 6. Distribution Expense - Maintenance | 1,255,290 | 1,448,392 | 1,335,629 | 193,653 |
| 7. Customer Accounts Expense | 1,375,357 | 1,548,000 | 1,541,902 | 118,126 |
| 8. Customer Service and Informational Expense | 149,754 | 152,774 | 221,268 | 24,777 |
| 9. Sales Expense | 254,707 | 291,532 | 331,726 | 53,515 |
| 10. Administrative and General Expense | 2,032,539 | 2,600,896 | 2,660,968 | 244,680 |
| 11. Total Operation & Maintenance Expense (2 thru 10) | 32,732,234 | 35,202,014 | 37,473,245 | 2,875,977 |
| 12. Depreciation and Amortization Expense | 2,797,883 | 3,188,860 | 3,266,554 | 437,598 |
| 13. Tax Expense - Property & Gross Receipts | 0 | 0 | 0 | 0 |
| 14. Tax Expense - Other | 238 | 439 | 0 | 15 |
| 15. Interest on Long-Term Debt | 2,442,614 | 2,683,806 | 3,149,841 | 248,082 |
| 16. Interest Charged to Construction - Credit | 0 | 0 | 0 | 0 |
| 17. Interest Expense - Other | 151,499 | 219,961 | 89,169 | 8,540 |
| 18. Other Deductions | 165,256 | 129,747 | 87,000 | 8,855 |
| 19. Total Cost of Electric Service (11 thru 18) | 38,289,724 | 41,424,827 | 44,065,809 | 3,579,067 |
| 20. Patronage Capital & Operating Margins (1 minus 19) | 2,165,821 | 1,185,719 | 2,054,287 | (387,028) |
| 21. Non Operating Margins - Interest | 136,521 | 102,282 | 175,318 | 8,534 |
| 22. Allowance for Funds Used During Construction | 0 | 0 | 0 | 0 |
| 23. Income (Loss) from Equity Investments | 0 | 0 | 0 | 0 |
| 24. Non Operating Margins - Other | 1,943,124 | 78,455 | (16,053) | 1,639 |
| 25. Generation and Transmission Capital Credits | 1,261,574 | 2,009,234 | 0 | 0 |
| 26. Other Capital Credits and Patronage Dividends | 134,990 | 99,481 | 102,661 | 0 |
| 27. Extraordinary Items | 0 | 0 | 0 | 0 |
| 28. Patronage Capital or Margins (20 thru 27) | 5,642,030 | 3,475,171 | 2,316,213 | (376,855) |

Part B. Data on Transmission and Distribution Plant

| ITEM | Year-to-date Last Year (a) | Year-to-date This Year (b) |
|--------------------------------------|----------------------------------|----------------------------------|
| 1. New Services Connected | 1,402 | 1,541 |
| 2. Services Retired | 7 | 32 |
| 3. Total Services in Place | 28,371 | 29,880 |
| 4. Idle Services (Exclude Seasonal) | 1,999 | 2,249 |
| 5. Miles Transmission | 22 | 22 |
| 6. Miles Distribution - Overhead | 1,450 | 1,467 |
| 7. Miles Distribution - Underground | 1,100 | 1,211 |
| 8. Total Miles Energized (5 + 6 + 7) | 2,572 | 2,700 |

| USDA-RUS | | BORROWER DESIGNATION | |
|---|-------------|--|-------------|
| FINANCIAL AND STATISTICAL REPORT | | AZ0020 | |
| | | PERIOD ENDED | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | | 12/2002 | |
| Part C. Balance Sheet | | | |
| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
| 1. Total Utility Plant in Service | 110,751,867 | 29. Memberships | 0 |
| 2. Construction Work in Progress | 5,893,480 | 30. Patronage Capital | 23,239,012 |
| 3. Total Utility Plant (1 + 2) | 116,645,347 | 31. Operating Margins - Prior Years | 0 |
| 4. Accum. Provision for Depreciation and Amort. | 22,601,001 | 32. Operating Margins - Current Year | 3,294,434 |
| 5. Net Utility Plant (3 - 4) | 94,044,346 | 33. Non-Operating Margins | 180,737 |
| 6. Non-Utility Property (Net) | 9,620 | 34. Other Margins and Equities | 6,585,400 |
| 7. Investments in Subsidiary Companies | 0 | 35. Total Margins & Equities (29 thru 34) | 33,299,583 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 3,602,247 | 36. Long-Term Debt - RUS (Net) | 39,239,672 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 2,435 | (Payments - Unapplied) | 0 |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds | 1,266,216 | 37. Long-Term Debt - RUS - Econ. Devel. (Net) | 0 |
| 11. Investments in Economic Development Projects | 0 | 38. Long-Term Debt - FFB - RUS Guaranteed | 0 |
| 12. Other Investments | 77,258 | 39. Long-Term Debt - Other - RUS Guaranteed | 0 |
| 13. Special Funds | 99,300 | 40. Long-Term Debt Other (Net) | 13,967,484 |
| 14. Total Other Property & Investments (6 thru 13) | 5,057,076 | 41. Total Long-Term Debt (36 thru 40) | 53,207,156 |
| 15. Cash - General Funds | 1,214,150 | 42. Obligations Under Capital Leases - Noncurrent | 0 |
| 16. Cash - Construction Funds - Trustee | 0 | 43. Accumulated Operating Provisions | 99,300 |
| 17. Special Deposits | 15,750 | 44. Total Other Noncurrent Liabilities (42 + 43) | 99,300 |
| 18. Temporary Investments | 1,800,000 | 45. Notes Payable | 2,200,000 |
| 19. Notes Receivable (Net) | 45,586 | 46. Accounts Payable | 2,549,726 |
| 20. Accounts Receivable - Sales of Energy (Net) | 2,385,567 | 47. Consumers Deposits | 610,037 |
| 21. Accounts Receivable - Other (Net) | 77,453 | 48. Current Maturities Long-Term Debt | 7,271,382 |
| 22. Materials and Supplies - Electric & Other | 1,771,355 | 49. Current Maturities Long-Term Debt-Economic Development | 0 |
| 23. Prepayments | 375,357 | 50. Current Maturities Capital Leases | 0 |
| 24. Other Current and Accrued Assets | 87,294 | 51. Other Current and Accrued Liabilities | 2,176,982 |
| 25. Total Current and Accrued Assets (15 thru 24) | 7,772,512 | 52. Total Current & Accrued Liabilities (45 thru 51) | 14,808,127 |
| 26. Regulatory Assets | 0 | 53. Regulatory Liabilities | 0 |
| 27. Other Deferred Debits | 139,370 | 54. Other Deferred Credits | 5,599,138 |
| 28. Total Assets and Other Debits (5+14+25 thru 27) | 107,013,304 | 55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru 54) | 107,013,304 |

| | | | |
|--|--|-------------|---------------|
| Name of Borrower | | Report Year | Report Period |
| TRICO ELECTRIC COOP INC (AZ0020) | | 2002 | 12 |
| Part D. Notes to Financial Statements | | | |

| | |
|---|------------------------------------|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0020 |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | PERIOD ENDED 12/2002 |

Part E. Changes in Utility Plant

| PLANT ITEM | Balance Beginning of Year | Additions | Retirements | Adjustments and Transfers | Balance End of Year |
|---|---------------------------------|-------------------|------------------|------------------------------|------------------------|
| Distribution Plant | 84,210,182 | 7,975,045 | 737,014 | 0 | 91,448,213 |
| General Plant | 5,525,607 | 1,746,315 | 373,413 | 0 | 6,898,509 |
| Headquarters Plant | 1,031,903 | 9,636,806 | 0 | (187,500) | 10,481,209 |
| Intangibles | 1,180 | 0 | 0 | 0 | 1,180 |
| Transmission Plant | 1,721,651 | 2,208 | 75 | 0 | 1,723,784 |
| All Other Utility Plant | 7,345 | 4,127 | 0 | 187,500 | 198,972 |
| Total Utility Plant in Service (1 thru 6) | 92,497,868 | 19,364,501 | 1,110,502 | 0 | 110,751,867 |
| Construction Work in Progress | 11,204,319 | (5,310,839) | | | 5,893,480 |
| TOTAL UTILITY PLANT (7 + 8) | 103,702,187 | 14,053,662 | 1,110,502 | 0 | 116,645,347 |

Part F. Materials and Supplies

| ITEM | Balance Beginning of Year (a) | Purchased (b) | Salvaged (c) | Used (Net) (d) | Sold (e) | Adjustment (f) | Balance End of Year (g) |
|-------------|--|------------------|-----------------|-------------------|-------------|-------------------|-------------------------------|
| 1. Electric | 1,612,141 | 2,972,236 | 0 | 2,768,065 | 4,397 | (66,706) | 1,745,209 |
| 2. Other | 31,273 | 41,520 | 0 | 30,601 | 0 | (16,047) | 26,145 |

Part G. Service Interruptions

| ITEM | Avg. Hours per Consumer by Cause Power Supplier (a) | Avg. Hours per Consumer by Cause Extreme Storm (b) | Avg. Hours per Consumer by Cause Prearranged (c) | Avg. Hours per Consumer by Cause All Other (d) | TOTAL (e) |
|----------------------|---|--|--|--|--------------|
| 1. Present Year | 0.64 | 0.20 | 0.00 | 0.97 | 1.81 |
| 2. Five-Year Average | 0.64 | 0.35 | 0.00 | 1.16 | 2.15 |

Part H. Employee-Hour and Payroll Statistics

| | Amount |
|---|-----------|
| 1. Number of Full Time Employees | 115 |
| 2. Employee - Hours Worked - Regular Time | 221,521 |
| 3. Employee - Hours Worked - Overtime | 13,084 |
| 4. Payroll - Expensed | 3,299,523 |
| 5. Payroll - Capitalized | 1,488,560 |
| 6. Payroll - Other | 565,465 |

| | | | |
|---|---|----------------------|-------------------|
| USDA-RUS | | BORROWER DESIGNATION | |
| FINANCIAL AND STATISTICAL REPORT | | AZ0020 | |
| | | PERIOD ENDED | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | | 12/2002 | |
| Part I. Patronage Capital | | | |
| ITEM | DESCRIPTION | This Year (a) | Cumulative (b) |
| 1. Capital Credits Distributions | a. General Retirements | 1,156,920 | 19,058,482 |
| | b. Special Retirements | 17,686 | 235,547 |
| | c. Total Retirements (a + b) | 1,174,606 | 19,294,029 |
| 2. Capital Credits Received | a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power | 0 | |
| | b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System | 78,658 | |
| | c. Total Cash Received (a + b) | 78,658 | |
| Part J. Due from Consumers for Electric Service | | | |
| | | | Amount |
| 1. AMOUNT DUE OVER 60 DAYS | | | 76,322 |
| 2. AMOUNT WRITTEN OFF DURING YEAR | | | 152,604 |

FINANCIAL AND STATISTICAL REPORT

AZ0020

PERIOD ENDED

12/2002

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part K. kWh Purchased and Total Cost

| Line No. | ITEM (a) | RUS Use Only Supplier Code (b) | kWh Purchased (c) | Total Cost (d) | Average Cost (Cents/kWh) (e) | Included in Total Cost Fuel Cost Adjustment (f) | Included in Total Cost Wheeling and Other Charges (or credits) (g) |
|--------------|--|---|----------------------|-------------------|---------------------------------------|---|---|
| 1 | Arizona Electric Pwr Coop, Inc (AZ0028) | 796 | 452,836,974 | 25,773,444 | 5.69 | 0 | 0 |
| 2 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 3 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 4 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 5 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 6 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 7 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 8 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 9 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 10 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 11 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 12 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 13 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 14 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 15 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 16 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 17 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 18 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 19 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| 20 | | 0 | 0 | 0 | 0.00 | 0 | 0 |
| Total | | | 452,836,974 | 25,773,444 | 5.69 | 0 | 0 |

| | |
|---|------------------------------------|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0020 |
| | PERIOD ENDED 12/2002 |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | |

| |
|--|
| Part M. Annual Meeting and Board Data |
|--|

| | | | |
|---|---|---|--|
| 1. Date of Last Annual Meeting 05/04/2002 | 2. Total Number of Members 24,818 | 3. Number of Members Present at Meeting 122 | 4. Was Quorum Present (Y/N) ? Y |
| 5. Number of Members Voting by Proxy or Mail 0 | 6. Total Number of Board Members 7 | 7. Total Amount of Fees and Expenses for Board Members 113,760 | 8. Does Manager Have Written Contract (Y/N) ? N |

| | | |
|---|----------------------|--|
| <div>USDA-RUS</div> <div>FINANCIAL AND STATISTICAL REPORT</div> | BORROWER DESIGNATION | |
| | AZ0020 | |
| | PERIOD ENDED | |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | 12/2002 | |

| Part N. Long-Term Debt and Debt Service Requirements | | | | |
|---|-----------------------------------|--|---|---|
| ITEM | Balance End of Year (a) | Billed This Year Interest (b) | Billed This Year Principal (c) | Billed This Year Total (d) |
| Rural Utilities Service (Excludes RUS - Economic Development Loans) | 40,178,697 | 1,759,585 | 836,492 | 2,596,077.00 |
| National Rural Utilities Cooperative Finance Corporation | 20,299,841 | 924,222 | 1,327,936 | 2,252,158.00 |
| Bank for Cooperatives | 0 | 0 | 0 | 0.00 |
| Federal Financing Bank | 0 | 0 | 0 | 0.00 |
| RUS - Economic Development Loans | 0 | 0 | 0 | 0.00 |
| Other (List Separately) | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| | 0 | 0 | 0 | 0.00 |
| TOTAL | 60,478,538 | 2,683,807 | 2,164,428 | 4,848,235.00 |

| | |
|---|------------------------------------|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0020 |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | PERIOD ENDED 12/2002 |

Part O. Power Requirements Data Base - Annual Summary

| CLASSIFICATION | Consumer Sales & Revenue Data | December (a) | Average No. Consumers Served (b) | Total Year to Date (c) |
|--|----------------------------------|-----------------|--|------------------------------|
| 1. Residential Sales (excluding seasonal) | a. No. Consumers Served | 26,335 | 25,765 | |
| | b. kWh Sold | | | 253,899,552 |
| | c. Revenue | | | 26,738,588 |
| 2. Residential Sales - Seasonal | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 3. Irrigation Sales | a. No. Consumers Served | 41 | 41 | |
| | b. kWh Sold | | | 2,263,052 |
| | c. Revenue | | | 200,579 |
| 4. Comm. and Ind. 1000 KVA or Less | a. No. Consumers Served | 1,238 | 1,220 | |
| | b. kWh Sold | | | 106,245,061 |
| | c. Revenue | | | 10,520,211 |
| 5. Comm. and Ind. Over 1000 KVA | a. No. Consumers Served | 9 | 8 | |
| | b. kWh Sold | | | 66,769,850 |
| | c. Revenue | | | 4,162,567 |
| 6. Public Street & Highway Lighting | a. No. Consumers Served | 7 | 7 | |
| | b. kWh Sold | | | 105,749 |
| | c. Revenue | | | 14,039 |
| 7. Other Sales to Public Authorities | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 8. Sales for Resales - RUS Borrowers | a. No. Consumers Served | 0 | 0 | |
| | b. kWh Sold | | | 0 |
| | c. Revenue | | | 0 |
| 9. Sales for Resale - Other | a. No. Consumers Served | 14 | 14 | |
| | b. kWh Sold | | | 167,336 |
| | c. Revenue | | | 16,406 |
| 10. TOTAL No. of Consumers (lines 1a thru 9a) | | 27,644 | 27,055 | |
| 11. TOTAL kWh Sold (lines 1b thru 9b) | | | | 429,450,600 |
| 12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c) | | | | 41,652,390 |
| 13. Other Electric Revenue | | | | 958,156 |
| 14. kWh - Own Use | | | | 1,403,025 |
| 15. TOTAL kWh Purchased | | | | 452,836,974 |
| 16. TOTAL kWh Generated | | | | 0 |
| 17. Cost of Purchases and Generation and Transmission Expense | | | | 25,788,470 |
| 18. Interchange - kWh - Net | | | | 0 |
| 19. System Peak - Sum Annual Peak kW Input from all Sources (Metered) | | | | 103,980 |

Non-coincident _____ Coincident X

| USDA-RUS FINANCIAL AND STATISTICAL REPORT | | BORROWER DESIGNATION AZ0020 | | | |
|--|--|--------------------------------|----------------------|----------------------------|-----------------------|
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | | PERIOD ENDED 12/2002 | | | |
| 7a - Part I. Investments | | | | | |
| Line No. | Description (a) | Included (\$) (b) | Excluded (\$) (c) | Income or Loss (\$) (d) | Rural Development (e) |
| 1. NON-UTILITY PROPERTY (NET) | | | | | |
| 1 | INTERNET SERVICE | 0 | 18,037 | | |
| 2 | ACCUM PROVISION DEP-INTERNET | 0 | (8,417) | | |
| Total: 1. NON-UTILITY PROPERTY (NET) | | 0 | 9,620 | | |
| 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS | | | | | |
| 3 | PATRONAGE CAPITAL-AEPCO | 0 | 3,270,807 | 0 | |
| 4 | PATRONAGE CAPITAL-NISC | 9,599 | 0 | 0 | |
| 5 | PATRONAGE CAPITAL-CFC | 0 | 314,331 | 0 | |
| 6 | PATRONAGE CAPITAL-NRTC | 7,509 | 0 | 0 | |
| 7 | MEMBERSHIP-NRUCFC | 0 | 1,000 | 0 | |
| 8 | MEMBERSHIP-NRECA | 10 | 0 | 0 | |
| 9 | MEMBERSHIP-GCSECA | 100 | 0 | 0 | |
| 10 | MEMBERSHIP-NCDC | 50 | 0 | 0 | |
| 11 | MEMBERSHIP-DESERT STAR ISO | 1,000 | 0 | 0 | |
| 12 | MEMBERSHIP-NISC | 75 | 0 | 0 | |
| 13 | MEMBERSHIP-SWTEPCO | 100 | 0 | 0 | |
| 14 | CAPITAL TERM CERTIFICATE-NRUCFC | 0 | 1,266,216 | 0 | |
| 15 | MEMBERSHIP-SIERRA SOUTHWEST | 100 | 0 | 0 | |
| Total: 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS | | 18,543 | 4,852,354 | 0 | |
| 4. OTHER INVESTMENTS | | | | | |
| 16 | PREFERRED STOCK-FEDERATED | 62,870 | 0 | 0 | |
| 17 | ENERGY RESOURCE CONSERVATION LOANS | 14,388 | 0 | 0 | |
| Total: 4. OTHER INVESTMENTS | | 77,258 | 0 | 0 | |
| 5. SPECIAL FUNDS | | | | | |
| 18 | DEFERRED COMPENSATION | 0 | 99,300 | | |
| Total: 5. SPECIAL FUNDS | | 0 | 99,300 | | |
| 6. CASH - GENERAL | | | | | |
| 19 | CASH GENERAL FUNDS | 1,171,595 | 0 | | |
| 20 | CASH CAPITAL CREDIT FUNDS | 18,705 | 0 | | |
| 21 | SECTION 125 DEPOSITS | 23,050 | 0 | | |
| 22 | WORKING FUNDS-PETTY CASH | 800 | 0 | | |
| Total: 6. CASH - GENERAL | | 1,214,150 | 0 | | |
| 7. SPECIAL DEPOSITS | | | | | |
| 23 | POSTAGE DEPOSIT-NISC MAILROOM SVS | 7,400 | 0 | | |
| 24 | WORKERS COMPENSATION-PREMIUM DPT | 8,350 | 0 | | |
| Total: 7. SPECIAL DEPOSITS | | 15,750 | 0 | | |
| 8. TEMPORARY INVESTMENTS | | | | | |
| 25 | AEPCO MEMBER INVESTMENT PLAN | 1,800,000 | 0 | | |
| Total: 8. TEMPORARY INVESTMENTS | | 1,800,000 | 0 | | |
| 9. ACCOUNTS & NOTES RECEIVABLE - NET | | | | | |
| 26 | NOTES RECEIVABLE-LINE EXTENSION AGRMNT | 45,586 | 0 | 0 | |

| | |
|---|---|
| <div>USDA-RUS</div> <div>FINANCIAL AND STATISTICAL REPORT</div> | <div>BORROWER DESIGNATION</div> <div>AZ0020</div> |
| | <div>PERIOD ENDED</div> <div>12/2002</div> |
| <div>INSTRUCTIONS-See RUS Bulletin 1717B-2</div> | |

| Line No. | Description (a) | Included (\$) (b) | Excluded (\$) (c) | Income or Loss (\$) (d) | Rural Development (e) |
|---|--|----------------------|----------------------|----------------------------|--------------------------|
| 27 | ACCOUNTS RECEIVABLE-OTHER | 73,227 | 0 | 0 | |
| 28 | ACCOUNTS RECEIVABLE-EMPLOYEE COMPUTERS | 14,507 | 0 | 0 | |
| 29 | ACCOUNTS RECEIVABLE-IRS SECTION 125 | -10,719 | 0 | 0 | |
| 30 | ACCOUNTS RECEIVABLE-SCHOOL TUITION | 438 | 0 | 0 | |
| Total: 9. ACCOUNTS & NOTES RECEIVABLE - NET | | 123,039 | 0 | 0 | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |
| 41 | | | | | |
| 42 | | | | | |
| 43 | | | | | |
| 44 | | | | | |
| 45 | | | | | |
| 46 | | | | | |
| 47 | | | | | |
| 48 | | | | | |
| 49 | | | | | |
| 50 | | | | | |
| 51 | | | | | |
| 52 | | | | | |
| 53 | | | | | |
| 54 | | | | | |
| 55 | | | | | |
| 56 | | | | | |
| 57 | | | | | |
| 58 | | | | | |
| 59 | | | | | |
| 60 | | | | | |

| | | | | |
|-----------------------|-----------|-----------|---|--|
| 11. TOTAL INVESTMENTS | 3,248,740 | 4,961,274 | 0 | |
|-----------------------|-----------|-----------|---|--|

| | |
|---|--|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION <div style="text-align: center;">AZ0020</div> <hr/> PERIOD ENDED <div style="text-align: center;">12/2002</div> |
| INSTRUCTIONS-See RUS Bulletin 1717B-2 | |

| |
|---|
| 7a - Part II. Loan Guarantees/Part III. Ratio |
|---|

| Line No. | Organization (a) | Maturity date (b) | Original Amount (\$) (c) | Loan Balance (\$) (d) | Rural Development (e) |
|---------------------------------------|------------------|-------------------|-----------------------------|--------------------------|-----------------------|
| 1 | | | 0 | 0 | |
| 2 | | | 0 | 0 | |
| 3 | | | 0 | 0 | |
| 4 | | | 0 | 0 | |
| 5 | | | 0 | 0 | |
| 6 | | | 0 | 0 | |
| 7 | | | 0 | 0 | |
| 8 | | | 0 | 0 | |
| 9 | | | 0 | 0 | |
| 10 | | | 0 | 0 | |
| TOTALS | | | 0 | 0 | |
| TOTAL (included Loan Guarantees only) | | | 0 | 0 | |

| | |
|---|--|
| Ratio of Investments and Loan Guarantees to Utility Plant Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)] | [Total of Included Investments (Part I, 11b) and Loan <div style="border-top: 1px solid black; display: inline-block; width: 100px;"></div> 2.7 % |
|---|--|

| | | |
|---|---------------------------------------|--|
| USDA-RUS FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION AZ0020 | |
| | PERIOD ENDED 12/2002 | |
| | INSTRUCTIONS-See RUS Bulletin 1717B-2 | |

| 7a - Part IV. Loans | | | | | |
|---------------------|------------------------------------|-------------------|--------------------------|-----------------------|-----------------------|
| Line No. | Organization (a) | Maturity date (b) | Original Amount (\$) (c) | Loan Balance (\$) (d) | Rural Development (e) |
| 1 | Employees, Officers, Directors | | 0 | 0 | |
| 2 | Energy Resource Conservation Loans | | 114,279 | 14,388 | |
| 3 | | | 0 | 0 | |
| 4 | | | 0 | 0 | |
| 5 | | | 0 | 0 | |
| 6 | | | 0 | 0 | |
| 7 | | | 0 | 0 | |
| 8 | | | 0 | 0 | |
| 9 | | | 0 | 0 | |
| 10 | | | 0 | 0 | |
| 11 | | | 0 | 0 | |
| 12 | | | 0 | 0 | |
| 13 | | | 0 | 0 | |
| 14 | | | 0 | 0 | |
| 15 | | | 0 | 0 | |
| TOTALS | | | 114,279 | 14,388 | |